



STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR

PHIL BRYANT  
State Auditor

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COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Audited Financial Statements  
For the Year Ended June 30, 1999



COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

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COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

FINANCIAL AUDIT REPORT

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## State of Mississippi

OFFICE OF THE STATE AUDITOR

PHIL BRYANT  
AUDITOR

### INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

February 22, 2000

Board of Trustees  
Coahoma Community College and Agricultural High School  
Clarksdale, Mississippi

We have audited the general purpose financial statements of Coahoma Community College and Agricultural High School as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Coahoma Community College and Agricultural High School's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Coahoma Community College and Agricultural High School as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2000 on our consideration of Coahoma Community College and Agricultural High School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



PHIL BRYANT  
State Auditor



RAMONA HILL, CPA  
Director, Financial and Compliance Audit Division



COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

AUDITED FINANCIAL STATEMENTS

## COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

## Balance Sheet

June 30, 1999

(With Comparative Figures at June 30, 1998)

Exhibit A

ASSETS	Current Year	Prior Year	LIABILITIES AND FUND BALANCES	Current Year	Prior Year
Current Funds			Current Funds		
Current Unrestricted Funds:			Current Unrestricted Funds:		
Cash and other deposits (Note 4)	\$ 860,711	458,576	Accounts payable and accrued expenses	\$ 627,744	682,471
Accounts receivable:			Due to depositors	30,378	24,342
Students, less allowance of			Due to other funds	103,620	93,205
\$2,756,800 (1999) and \$2,756,800 (1998)	356,896	57,539	Fund balances:		
Other	139,428	315,175	Unallocated		
Inventories	110,011	128,596	General	748,847	264,032
Due from other funds	68,421	114,896	Auxiliary	24,878	10,732
Total Current Unrestricted Funds	<u>1,535,467</u>	<u>1,074,782</u>	Total Current Unrestricted Funds	<u>1,535,467</u>	<u>1,074,782</u>
Current Restricted Funds:			Current Restricted Funds:		
Cash and other deposits (Note 4)	7,238	2,021	Due to other funds	596,075	219,519
Other accounts receivable	596,362	717,572	Deferred credits	2,151	43,868
Inventory	461	2,259	Accounts payable and accrued expenses		2,777
Due from other funds	79,756	52,884	Fund balance:		
Total Current Restricted Funds	<u>683,817</u>	<u>774,736</u>	Allocated	85,591	508,572
			Total Current Restricted Funds	<u>683,817</u>	<u>774,736</u>
Total Current Funds	<u>\$ 2,219,284</u>	<u>1,849,518</u>	Total Current Funds	<u>\$ 2,219,284</u>	<u>1,849,518</u>
Loan Funds			Loan Funds		
Cash and other deposits (Note 4)	\$ 14,000	10,576	Fund balances:		
Notes receivable:			Federal	\$ 51,644	51,496
Federal student loans, less allowance of			Institution		
\$336,316 (1999) and					
\$336,316 (1998) (Note 6)	35,606	38,882			
Due from other funds	<u>2,038</u>	<u>2,038</u>			
Total Loan Funds	<u>\$ 51,644</u>	<u>51,496</u>	Total Loan Funds	<u>\$ 51,644</u>	<u>51,496</u>
Endowment and Similar Funds			Endowment and Similar Funds		
Cash and other deposits (Note 4)	\$ 6,699	3,939	Fund balances:		
Investments (Note 5)	2,944,659	2,448,744	Endowment	\$ 2,951,493	2,452,818
Due from other funds	<u>135</u>	<u>135</u>			
Total Endowment & Similar Funds	<u>\$ 2,951,493</u>	<u>2,452,818</u>	Total Endowment & Similar Funds	<u>\$ 2,951,493</u>	<u>2,452,818</u>

Plant Funds		
Cash and other deposits (Note 4)	\$ 2,860,551	66,007
Other accounts receivable	12,731	
Due from other funds	605,594	142,320
Land	305,558	305,558
Improvements other than buildings	783,251	1,271,134
Buildings	20,977,120	20,334,550
Furniture, machinery and equipment	4,300,381	4,602,848
Books and films	906,731	901,418
Assets under capital leases (Note 7)	95,888	
Construction in progress	<u>1,212,554</u>	<u>20,327</u>

Total Plant Funds	\$ <u>32,060,359</u>	<u>27,644,162</u>
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Agency Funds		
Cash and other deposits (Note 4)	\$ 26,185	25,150
Due from depositors	<u>15,766</u>	<u>452</u>

Total Agency Funds	\$ <u>41,951</u>	<u>25,602</u>
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Plant Funds		
Due to other funds	\$ 22,391	
Notes payable (Note 7)	2,635,848	266,383
Bonds payable (Note 7)	531,000	541,000
Obligations under capital leases (Note 7)	79,825	
Fund balances:		
Unexpended	3,456,485	208,327
Net investment in plant	<u>25,334,810</u>	<u>26,628,452</u>

Total Plant Funds	\$ <u>32,060,359</u>	<u>27,644,162</u>
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Agency Funds		
Due to other funds	\$ 33,858	
Other liabilities		18,732
Due to depositors	<u>8,093</u>	<u>6,870</u>

Total Agency Funds	\$ <u>41,951</u>	<u>25,602</u>
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See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
Statement of Changes in Fund Balances  
For the Year Ended June 30, 1999

Exhibit B

	Current Funds			Loan Funds	Endowment and Similar Funds	Plant Funds		
	Unrestricted	Restricted	Total			Unexpended	Retirement of Indebtedness	Investment in Plant
Revenues and Other Additions								
Tuition and fees	\$ 1,222,355		1,222,355					
State appropriations	4,908,962	589,689	5,498,651			1,083,207	59,441	
Local appropriations	1,805,692		1,805,692			408,499		
Federal grants and contracts	197,000	5,650,074	5,847,074					
State grants and contracts		1,025,916	1,025,916			8,752		
Local grants and contracts	19,034		19,034					
Private gifts, grants & contracts	6,800	36,000	42,800					
Investment income	9,587		9,587	148	16,303	120,686		
Realized gains on investments					482,372			
Proceeds from notes						2,500,000		
Additions to plant facilities								2,231,441
Retirement of indebtedness								156,598
Sales and services of auxiliary activities	809,584	13,971	823,555					
Other	122,144	36,544	158,688					
Total Rev. & Other Additions	9,101,158	7,352,194	16,453,352	148	498,675	4,121,144	59,441	2,388,039
Expenditures & Other Deductions								
Educational and general:								
Instruction	2,358,107	2,696,256	5,054,363					
Academic support	840,930	911,556	1,752,486					
Student services	661,642	1,003,793	1,665,435					
Institutional support	1,770,075	515,805	2,285,880					
Operation & maint. of plant	1,136,622	38,117	1,174,739					
Student aid	182,314	2,798,242	2,980,556					
Total Educational and General	6,949,690	7,963,769	14,913,459					
Auxiliary	904,328		904,328					
Repairs and maintenance						178,732		
Expended for plant facilities						1,227,154		
Plant assets sold or retired								1,085,793
Retirement of indebtedness							156,598	
Interest on indebtedness							171,061	
Long-term debt incurred								2,595,888
Total Expenditures and Other Deductions	7,854,018	7,963,769	15,817,787			1,405,886	327,659	3,681,681

Transfers - Additions (Deductions)

Mandatory:

Principal and interest

(255,760)

(255,760)

(12,458)

268,218

Total Mandatory

(255,760)

(255,760)

(12,458)

268,218

Other:

Other

(681,629)

681,629

Total Other

(681,629)

681,629

Total Transfers

(937,389)

681,629

(255,760)

(12,458)

268,218

Net Increase (Decr.) for Year

309,751

70,054

379,805

148

498,675

2,702,800

0

(1,293,642)

Fund Balance at Beg. of Year

As Previously Reported

274,764

508,572

783,336

51,496

2,452,818

208,327

0

26,628,452

Adjustments (Note 3)

189,210

(493,035)

(303,825)

545,358

Restated

463,974

15,537

479,511

51,496

2,452,818

753,685

0

26,628,452

Fund Balance at End of Year

\$ 773,725

85,591

859,316

51,644

2,951,493

3,456,485

0

25,334,810

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL  
Statement of Current Fund Revenues, Expenditures and Other Changes  
For the Year Ended June 30, 1999  
(With Comparative Figures for the Year Ended June 30, 1998)

Exhibit C

	Current Year			Prior Year
	Unrestricted	Restricted	Total	Total
Revenues and Other Additions				
Tuition and fees	\$ 1,222,355		1,222,355	1,259,828
State appropriations	4,908,962	589,689	5,498,651	5,223,209
Local appropriations	1,805,692		1,805,692	1,639,476
Federal grants and contracts	197,000	6,167,141	6,364,141	5,430,765
State grants and contracts		1,116,639	1,116,639	
Local grants and contracts	19,034		19,034	
Private gifts, grants and contracts	6,800	39,785	46,585	100,000
Investment income	9,587		9,587	6,169
Proceeds from notes				541,000
Sales and services of educational activities				48,181
Sales and services of auxiliary activities	809,584	13,971	823,555	874,376
Other	122,144	36,544	158,688	107,478
Total Revenues and Other Additions	9,101,158	7,963,769	17,064,927	15,230,482
Expenditures & Mandatory Transfers				
Educational and general:				
Instruction	2,358,107	2,696,256	5,054,363	4,443,532
Academic support	840,930	911,556	1,752,486	1,331,441
Student services	661,642	1,003,793	1,665,435	1,715,576
Institutional support	1,770,075	515,805	2,285,880	1,920,550
Oper. & maintenance of plant	1,136,622	38,117	1,174,739	1,100,562
Student aid	182,314	2,798,242	2,980,556	2,852,783
Total Educational and General Expenditures	6,949,690	7,963,769	14,913,459	13,364,444
Mandatory transfers:				
Principal and interest	255,760		255,760	
Total Educational and General	7,205,450	7,963,769	15,169,219	13,364,444
Auxiliary enterprises:				
Expenditures	904,328		904,328	994,678
Total Auxiliary Enterprises	904,328		904,328	994,678
Total Expenditures and Mandatory Transfers	8,109,778	7,963,769	16,073,547	14,359,122
Other Transfers - Additions (Ded.)				
Excess restricted receipts over expenditures & mandatory transfers		(611,575)	(611,575)	
Provision for uncollectible accounts				(172,330)
Other	(681,629)	681,629		(7,836)
Total Other Transfers - Additions (Deductions)	(681,629)	70,054	(611,575)	(180,166)
Net Change in Fund Balance	\$ 309,751	70,054	379,805	691,194

See accompanying Summary of Significant Accounting Policies and Notes to Financial Statements.

## COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

### Summary of Significant Accounting Policies For the Year Ended June 30, 1999

The significant accounting policies followed by Coahoma Community College and Agricultural High School are described below to enhance the usefulness of the financial statements to the reader.

#### (1) Basis of Accounting.

Coahoma Community College and Agricultural High School uses the accounting system set out in the "Accounting Manual for Mississippi's Public Junior Colleges." This manual conforms in most respects with the principles set forth in the "Financial and Reporting Manual for Higher Education" issued by the National Association of College and University Business Officers (NACUBO), and the Industry Audit Guide, "Audits of Colleges and Universities" issued by the American Institute of Certified Public Accountants, while acknowledging the goals and activities of Mississippi's public community colleges.

The accompanying financial statements have been prepared generally on the accrual basis with the following exceptions, which are common practices in colleges and universities:

- A. Depreciation on physical plant and equipment has not been provided.
- B. To the extent that Current Funds are used to finance plant assets, the amounts so provided are accounted for as (a) expenditures, in the case of normal acquisition and/or replacement of moveable equipment and library books; (b) mandatory transfers, in the case of required provisions for debt amortization and interest, and equipment renewals and replacements; and (c) transfers of a nonmandatory nature for all other cases.
- C. Interest on student loans is recorded only when received.
- D. Interest expense on debt is recorded when paid.

Gifts, grants and pledges are generally recorded when received or when billable.

Investments are recorded in accordance with Governmental Accounting Standards Board Statement Number 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Property, buildings and equipment are stated at cost at the date of acquisition or fair market value at date of donation. Improvements made as part of repair and renovation projects are capitalized based upon institution estimates which approximate cost. Public domain (infrastructure) fixed assets consisting of certain improvements other than buildings, such as roads, bridges, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the institution, are capitalized.

Merchandise for resale inventories and consumable supply inventories are stated at cost, with cost being determined principally by the first-in, first-out method.

All revenues and related expenditures incurred in connection with summer sessions are reported within the fiscal year in which the summer sessions are predominantly conducted.

#### (2) Fund Accounting.

In order to insure observance of limitations and restrictions placed on the use of the resources available, the accounts of the institution are maintained in accordance with the principles of fund accounting. This accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Summary of Significant Accounting Policies  
For the Year Ended June 30, 1999

been recorded and reported by fund group.

The Current Funds are used primarily to account for transactions which are expended in performing the primary and support objectives of the institution.

Current Funds consist of the following:

- A. The Unrestricted Fund which is used to account for:
  - 1. The appropriated budget as approved by the Mississippi State Legislature and the Board of Trustees of Coahoma Community College and Agricultural High School.
  - 2. The transactions of substantially self-supporting activities that primarily provide services for students, faculty and staff.
- B. The Restricted Fund which is used to account for Current Funds expended for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

Other funds consist of the following:

- A. The Loan Funds are used to account for loans to students. Resources to provide loans are derived primarily from the repayment of principal and interest on existing loans.
- B. Endowment and Similar Funds include True Endowment Funds which are funds received from a donor with the restriction that only the income is to be utilized.
- C. The Plant Funds which are used to account for the transactions relating to institution physical properties include:
  - 1. The Unexpended Plant Fund which is comprised of amounts which have been appropriated or designated for the purchase of institution physical properties or the repair and maintenance of such physical properties.
  - 2. The Retirement of Indebtedness Plant Fund which represents resources held for the retirement of and interest on debt and includes sinking funds established under bond indentures and note and lease amortization payments accumulated, but not yet due.
  - 3. The Investment in Plant Fund which represents the total physical properties in service by the institution and all construction in progress as well as any associated liabilities.
- D. Agency Funds account for assets held by the institution as custodian or fiscal agent for others. Consequently, the transactions of this fund do not affect the statement of changes in fund balances.



# COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

## Notes to Financial Statements For the Year Ended June 30, 1999

### (1) Appropriations - General Operations.

Coahoma Community College and Agricultural High School receives funds from the state of Mississippi based on the number of full-time students actually enrolled and in attendance on the last day of the sixth week of the fall semester of the previous year, counting only those students who reside within the state of Mississippi. In addition, the institution receives funds from taxes levied by the counties in the district for general support, maintenance and capital improvement.

### (2) Accrued Leave.

Because the institution does not provide for the accumulation of sick leave or vacation beyond one fiscal year, no liability has been accrued in the financial statements.

### (3) Prior Period Adjustments.

For the year ended June 30, 1999, the institution recorded prior period adjustments which consisted of the following additions and deductions to the various fund balances:

Explanation	Additions (Deductions)
Current Funds:	
Unrestricted Funds:	
Transfer of beginning fund balance to	
General Fund to properly classify high school funds	\$ (99,436)
To correct reversal of prior year accruals	259,131
Client fund balance reclassifications	<u>29,515</u>
Total Unrestricted Funds	\$ <u><u>189,210</u></u>
Restricted Funds:	
Transfer of beginning fund balance to	
General Fund to properly classify high school funds	\$ 99,436
Transfer of beginning fund balance to the	
Unexpended Plant Fund to properly classify high school funds	(545,358)
To correct reversal of prior year accruals	<u>(47,113)</u>
Total Restricted Fund	\$ <u><u>(493,035)</u></u>
Plant Fund:	
Unexpended Plant Fund:	
Transfer of beginning fund balance to the	
Unexpended Plant Fund to properly classify high school funds	\$ <u><u>545,358</u></u>

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Notes to Financial Statements  
For the Year Ended June 30, 1999

(4) Cash and Other Deposits.

For financial statement purposes, cash and other deposits are represented by demand accounts and time deposits such as savings accounts, certificates of deposit and money market funds. Also included in this account are imprest cash accounts held by the institution. The carrying amount of the institution's cash and other deposits at June 30, 1999, was \$3,775,384 and the depository balance, including accrued interest of \$12,731, was \$4,015,053. The entire depository balance was covered by federal depository insurance or by collateral held by the institution or its agent.

(5) Investments.

Except for (1) nonparticipating investment contracts and for (2) participating interest-earning investment contracts and money market investments that had a remaining maturity at the time of purchase of one year or less, investments are reported at fair value which is based on quoted market price. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Participating interest-earning investment contracts and money market investments that had a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments made by the institution consisted solely of mutual funds with a fair value of \$2,944,659 and a cost of \$2,634,130.

(6) Notes Receivable From Students.

Notes receivable from students are payable in installments over a period of up to ten years, commencing three to 12 months from the date of separation from the institution. The following is a schedule of interest rates and unpaid balances for the different types of notes receivable held by the institution at June 30, 1999:

	Interest Rates	Unpaid Balance 6-30-99
Perkins student loans	3% - 6%	\$ 371,922
Total Notes Receivable		371,922
Less: Allowance for Doubtful Accounts		<u>336,316</u>
Net Notes Receivable		\$ <u><u>35,606</u></u>

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Notes to Financial Statements  
For the Year Ended June 30, 1999

(7) Long-term Debt.

The institution has long-term obligations of the following:

Description and Purpose	Original Issue	Annual Interest Rate	Maturity Date	Amount Owed at 6-30-99
A. Bonded Debt.				
Coahoma County Agricultural High School State Aid Capital Improvement Bonds, Series 1998	\$ 541,000	5.00%	2018	\$ 531,000
Total Bonded Debt	\$ 541,000			\$ 531,000
B. Notes.				
Department of Environmental Quality - State Revolving Fund Loan	\$ 316,144	4.00%	2014	\$ 250,848
Education Facilities Notes, Series 1998	2,500,000	4.375% to 6.10%	2013	2,385,000
Total Notes	\$ 2,816,144			\$ 2,635,848
C. Capital Leases.				
Band equipment	\$ 95,888	8.87%	2003	\$ 79,825
Total Capital Leases	\$ 95,888			\$ 79,825

The lease covers a period of five years. The institution has the option to prepay all outstanding payments less any unearned interest to fully satisfy the obligation.

There is also a fiscal funding addendum that states that if funds are not appropriated for periodic payment for any future fiscal period, the lessee will not be obligated to pay the remainder of the total payments due beyond the end of the current fiscal period.

The amount capitalized as leased property under capital leases is the amount of the original obligation.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Notes to Financial Statements  
For the Year Ended June 30, 1999

Annual requirements to amortize outstanding long-term debt are as follows:

Year Ending June 30	Total	Bonds	Notes	Leases
2000	\$ 324,406	42,550	257,286	24,570
2001	323,286	43,750	254,966	24,570
2002	325,761	43,850	257,341	24,570
2003	322,576	43,900	254,106	24,570
2004	296,706	43,900	252,806	
Later years	<u>2,971,235</u>	<u>618,050</u>	<u>2,353,185</u>	
Total	4,563,970	836,000	3,629,690	98,280
Less: Amounts Representing Interest	<u>1,317,297</u>	<u>305,000</u>	<u>993,842</u>	<u>18,455</u>
Total at Present Value	<u>\$ 3,246,673</u>	<u>531,000</u>	<u>2,635,848</u>	<u>79,825</u>

(8) Operating Leases.

Leased property under operating leases is composed of four Xerox copiers. The following is a schedule by years of the future minimum rental payments required under those operating leases:

Year Ending June 30	Amount
2000	\$ 12,096
2001	12,096
2002	9,296
2003	<u>3,456</u>
Total Minimum Payments Required	<u>\$ 36,944</u>

The total rental expense for all operating leases, except those with terms of a month or less that were not renewed, for the fiscal year ending June 30, 1999, was \$12,096.

(9) Construction Commitments and Financing.

The institution has contracted for the construction of renovations to the student union building. At June 30, 1999, estimated costs to complete the project are \$114,955. The remaining costs are to be funded by state appropriated funds.

# COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

## Notes to Financial Statements For the Year Ended June 30, 1999

### (10) Pension Plan.

Plan Description. The institution contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary and the institution is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. The contribution requirement of PERS members are established and may be amended only by the State of Mississippi Legislature. The institution's contributions to PERS for the years ending June 30, 1999, 1998 and 1997 were \$604,087, \$547,745 and \$493,473, respectively, equal to the required contributions for each year.

### (11) Foundation.

The Coahoma Community College Foundation, Inc. is an independent corporation formed for the purpose of receiving funds for the sole benefit of the institution. Following is a summary of the foundation's financial position at June 30, 1999, which amounts have not been audited and are not included in the financial statements of the institution:

<u>Assets</u>	<u>Amount</u>
Cash and investments	\$ <u>510</u>
Total Assets	\$ <u><u>510</u></u>
<u>Liabilities and Fund Balances</u>	
Fund balances:	
Unrestricted	\$ <u>510</u>
Total Liabilities and Fund Balances	\$ <u><u>510</u></u>

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

SUPPLEMENTAL INFORMATION

COAHOMA COMMUNITY COLLEGE  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 1999

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Student Financial Aid - Cluster			
U.S. Department of Education:			
Federal PELL Grant Program	84.063		\$ 2,593,144
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	84.007		200,751
Federal Family Education Loan Program (FFEL)	(2) 84.032		6,808
Federal Work-study Program (FWS)	84.033		339,692
Pass-through program from:			
Board of Institutions of Higher Learning - State Student Incentive Grants (SSIG)	84.069		4,347
Total U.S. Department of Education			<u>3,144,742</u>
Total Student Financial Aid			<u>3,144,742</u>
Child Nutrition - Cluster			
U.S. Department of Agriculture:			
National School Lunch Program	10.555		104,700
Summer Food Service Program for Children	10.559		78,933
Total Child Nutrition - Cluster			<u>183,633</u>
Other Programs			
U.S. Department of Agriculture			
Food Distribution	10.550		7,863
Total U.S. Department of Agriculture			<u>7,863</u>
U.S. Department of Justice			
Public Safety Partnership and Community Policing Grants	16.710		77,912
Total U.S. Department of Justice			<u>77,912</u>
U.S. Department of Housing and Urban Development			
Historically Black Colleges and Universities Program	14.237		9,430
Total U.S. Department of Housing and Urban Development			<u>9,430</u>

U.S. Department of Labor			
Pass-through program from:			
Mississippi Department of Education - Job Training Partnership Act	17.250	9-06M-H-501-777	145,208
Total U.S. Department of Labor			<u>145,208</u>
National Aeronautics and Space Administration			
Pass-through programs from:			
Mississippi State Board for Community & Junior Colleges - Remote Grant - Aerospace Education Services Program	43.001	NAS 13-564	76,613
University of Mississippi - Space Grant Scholarship Grant - Aerospace Education Services Program	43.001		<u>5,176</u>
Total National Aeronautics and Space Administration			<u>81,789</u>
National Science Foundation			
Pass-through program from:			
University of Mississippi - Delta Rural Systemic Initiative Program - Education and Human Resources	47.076	ESR-9700041	<u>39,959</u>
Total National Science Foundation			<u>39,959</u>
U.S. Department of Education			
Higher Education - Institutional Aid	84.031		822,461
TRIO - Upward Bound	84.047		<u>274,059</u>
Subtotal direct programs			<u>1,096,520</u>
Pass-through programs from:			
MS State Board for Community & Junior Colleges - Adult Education - State Grant Program	84.002	N/A	152,382
Mississippi Department of Education - Title I Grants to Local Educational Agencies	84.010	CI99-1421	217,319
Mississippi Department of Education - Special Education - Grants to States	84.027	B1081421	13,261
Mississippi Department of Education - Vocational Education - Basic Grants to States	84.048	1403	424,130
Mississippi Department of Education - Title VI Innovative Support	84.151	II99-1421	2,040
Mississippi Department of Education - Safe & Drug-free Schools and Communities - State Grants	84.186	DF99-1421	2,112
Mississippi Department of Education - Eisenhower Professional Development State Grants - Delta Area Physics	84.281	98-80E	9,074
Mississippi Department of Education - Eisenhower Professional Development State Grants	84.281	EG-99-1421	<u>2,900</u>
Subtotal pass-through programs			<u>823,218</u>
Total U.S. Department of Education			<u>1,919,738</u>



<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Pass-through programs from:			
Mississippi Community College Foundation - Development and Coordination of Rural Health Services	93.223	N/A	111,189
Mississippi Department of Health - Abstinence Education	93.235	301/435874	37,964
Total U.S. Department of Health and Human Services			<u>149,153</u>
Total Other Programs			<u>2,431,052</u>
Total Expenditures of Federal Awards			<u>\$ 5,759,427</u>

Notes to Schedule of Expenditures of Federal Awards

This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the general purpose financial statements, with the following exceptions:

- (1) For purposes of this schedule, loans advanced from the Federal Perkins Loan Program (CFDA #84.038) are presented as federal expenditures. These loans are not reported as expenditures on the financial statements but as an increase in notes receivable. The outstanding loan balances and allowance for uncollectible amounts for the loan programs at June 30, 1998 are reflected in Note (6) to the financial statements.
- (2) For purposes of this schedule, loans made to students under the Federal Family Educational Loan Program (CFDA #84.032) are presented as federal expenditures. Neither the funds advanced to students, nor the outstanding loan balance is included in the financial statements since the loans are made and subsequently collected by private lending institutions and/or the federal government.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

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## State of Mississippi

OFFICE OF THE STATE AUDITOR

PHIL BRYANT  
AUDITOR

INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

February 22, 2000

Board of Trustees  
Coahoma Community College and Agricultural High School  
Clarksdale, Mississippi

We have audited the general purpose financial statements of Coahoma Community College and Agricultural High School as of and for the year ended June 30, 1999, and have issued our report thereon dated February 22, 2000.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the institution's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of the institution in a separate letter dated February 22, 2000, which is included in this report.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the institution's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

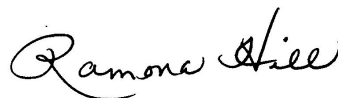
In planning and performing our audit, we considered the institution's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our opinion, could adversely affect the institution's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 99-1 through 99-12.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions and, accordingly, would not also disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described in the findings referred to above, we consider item 99-6 to be a material weakness.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



PHIL BRYANT  
State Auditor



RAMONA HILL, CPA  
Director, Financial and Compliance Audit Division



## State of Mississippi

OFFICE OF THE STATE AUDITOR  
PHIL BRYANT  
AUDITOR

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

February 22, 2000

Board of Trustees  
Coahoma Community College and Agricultural High School  
Clarksdale, Mississippi

#### Compliance

We have audited the compliance of Coahoma Community College and Agricultural High School with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The institution's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the institution's management. Our responsibility is to express an opinion on the institution's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the institution's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the institution's compliance with those requirements.

In our opinion, Coahoma Community College and Agricultural High School complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 99-15.

#### Internal Control Over Compliance

The management of Coahoma Community College and Agricultural High School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the institution's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

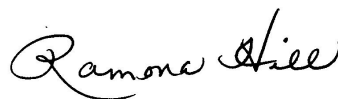
We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our opinion, could adversely affect the institution's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 99-13 and 99-14.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described in the findings referred to above is a material weakness.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



PHIL BRYANT  
State Auditor



RAMONA HILL, CPA  
Director, Financial and Compliance Audit Division

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS



COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

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## State of Mississippi

OFFICE OF THE STATE AUDITOR  
PHIL BRYANT  
AUDITOR

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

February 22, 2000

Board of Trustees  
Coahoma Community College and Agricultural High School  
Clarksdale, Mississippi

We have audited the general purpose financial statements of Coahoma Community College and Agricultural High School as of and for the year ended June 30, 1999, and have issued our report thereon dated February 22, 2000. We conducted our audit in accordance with generally accepted auditing standards.

We have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements disclosed the following immaterial instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

1. Finding

The purchasing agent of the Coahoma County Agricultural High School was not covered by a \$50,000 surety bond as required by Section 37-39-21, Miss. Code Ann. (1972).

Recommendation

As required by the appropriate Mississippi Code section, adequate surety bonds should be acquired and recorded in the chancery clerk's office.

Institution's Response

A surety bond for \$50,000 was acquired for the purchasing agent on March 15, 2000.

2. Finding

The unemployment compensation fund balance was \$21,081.98 less than the amount required by law.

Recommendation

The institution should maintain the unemployment compensation fund at the amount required by Section 71-5-359, Miss. Code Ann. (1972).

Institution's Response

The required amount of \$21,081.98 was transferred to the unemployment fund for the fiscal year ended June 30, 1999. The amounts necessary to maintain the fund has been budgeted for the fiscal year 2000 and future years.

The Office of the State Auditor will review, on the subsequent year's audit engagement, the findings in this report to insure that corrective action has been taken.

This report is intended solely for the information and use of management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



PHIL BRYANT  
State Auditor



RAMONA HILL, CPA  
Director, Financial and Compliance Audit Division

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

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COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1999

Section 1: Summary of Auditor's Results

1. An unqualified opinion was issued on the general purpose financial statements.
2. As described in Section 2 of this schedule, reportable conditions in internal control were disclosed by the audit of the general purpose financial statements. The reportable condition described in Finding 99-6 is considered to be a material weakness.
3. The audit did not disclose any noncompliance which is material to the general purpose financial statements.
4. The audit did not disclose any material weaknesses in internal control over major programs. There were two reportable conditions identified in internal controls over major programs. These reportable conditions are described as Findings 99-13 and 99-14 in Section 3 of this schedule.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit disclosed audit findings which are required to be reported under Section \_\_\_\_ .510(a) of OMB Circular A-133. These findings are described in Section 3 of this schedule.
7. The major programs were the Student Financial Aid Cluster (CFDA #'s 84.007, 84.032, 84.033, 84.063 & 84.069), Higher Education - Institutional Aid (CFDA #84.031) and Vocational Education - Basic Grants to States (CFDA #84.048).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. The auditee did not qualify as a low-risk auditee.

Section 2: Findings Relating to the Financial Statements

99-1. Finding

During our audit of the fixed asset accounts, we noted the following:

1. Adequate detailed records were not maintained to support the amounts carried on the general ledger for the improvements other than buildings and library books and films accounts.
2. The general ledger balance for equipment did not agree with the detailed listing. Additionally, adequate procedures did not exist to reconcile the balances on a periodic basis.
3. Adequate detailed records were not maintained to support the amount of high school equipment included on the general ledger. Additionally, additions and deletions of high school equipment have not been maintained since fiscal year 1997.
4. Procedures for recording fixed asset deletions were not functioning properly. Items included on the deletions listing were still included on the master listing.
5. Procedures for recording equipment transfers were not functioning properly.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1999

Recommendation

Procedures should be developed and placed in operation to adequately document and maintain fixed asset records. A detailed listing should be prepared and updated in a timely manner to adequately document the assets of the college.

99-2. Finding

During our audit of the loan fund, we noted the following:

1. The general ledger and service agency records were not periodically reconciled. This resulted in two loans not being submitted to the service agency and an incorrect enrollment status for some students.
2. Payments received by the college were not reported to the service agency on a timely basis.

Recommendation

Procedures should be established to reconcile loan fund records with the service agency records. This will help to ensure that all new loans and payments are being properly accounted for and that all information submitted to and received from the service agency is accurate.

99-3. Finding

The following items were noted during our examination of expenditures:

1. Evening class instructors were not approved by the board of trustees.
2. Expenditure transactions were processed inconsistently.
3. Several transactions were paid without an invoice.
4. Adequate documentation was not obtained prior to reimbursement of certain travel expenditures.

Recommendation

1. The name and salary of evening instructors should be approved by the board of trustees.
2. Procedures should be established whereby different classes of transactions require the same documentation for payment. At a minimum, an invoice and an approved requisition/authorization to pay form should be required.
3. A valid invoice or other supporting documentation should be required before payment on any transaction is made.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1999

4. When paying travel expenses, adequate documentation should be obtained prior to reimbursement. At a minimum, the travel authorization form should be attached to document the date of travel, the person traveling and reason for the travel. All advances should be followed up by a travel expense voucher.

99-4. Finding

During our examination of cash and other deposits we noted the following:

1. Some bank reconciliations were prepared using an inaccurate book balance amount.
2. Checks dating back to 1992 were listed on the outstanding checks listing.
3. One petty cash account was not recorded on the general ledger.
4. All voided checks were not marked void or otherwise defaced.

Recommendation

1. Bank reconciliations should be accurately prepared and all reconciling items explained.
2. Procedures should be established for writing off old outstanding checks.
3. All cash accounts should be recorded on the general ledger.
4. All voided checks should be defaced to prevent future use.

99-5. Finding

Delinquent student accounts were not being turned over for collection in a timely manner. Additionally, students were allowed to register and attend classes even though outstanding balances remained on their student accounts.

Recommendation

Procedures should be established to ensure that adequate collection efforts are being made to collect delinquent student accounts. Also, the institution should implement procedures to ensure that students owing a delinquent balance are not allowed to register and attend classes until the delinquency has been cleared.

99-6. Finding

Coahoma Community College's security for its IBM AS400 computer and for its CMDS administrative, payroll, accounts receivable, accounts payable and financial aid software was not adequate as stated in the Control Objectives for Information and Related Technology (CobiT PO2, PO4, PO6, AI3, and DS5) guidelines. Without adequate security, unauthorized access to the computer system and software is possible.



COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1999

Recommendation

We recommend that the college update its security for the AS400 and for the software package. Employees should only be given access to the software that is within their job responsibilities.

99-7. Finding

Coahoma Community College password security is deficient in the following areas:

- user passwords for the AS400 computer were not set to expire periodically.
- passwords were not set up to limit repeating characters in a new password.
- users were allowed to sign onto the AS400 computer at any number of terminals or personal computers.

As stated in the Control Objectives for Information and Related Technology (CobiT DS5) guidelines, without user security measures, the college's computer system could be vulnerable to unauthorized access attempts.

Recommendation

We recommend that the college implement procedures so that the computer system will require users to change their password every 90 to 120 days. The system should be set to reject attempts to establish new passwords with repeating characters. For most users, access should only be allowed onto one terminal or personal computer at a time.

99-8. Finding

The following physical security problems were noted during our audit:

- The computer room and area had no smoke/heat detectors.
- There was a pull alarm in the computer area, but it had not been tested recently.
- The fire extinguishers in the computer room and area had not been checked in the last year.
- All exit doors were in need of repair or replacement.
- Some of the exit doors did not have adequate locks.
- Some of the exit doors did not shut securely.
- Signs of flooding in the computer area were noted near the west exit door.

As stated in the Control Objectives for Information and Related Technology (CobiT DS12 and PO4) guidelines, appropriate physical security and access control measures should be established for information technology facilities.

Recommendation

We recommend that smoke and/or heat detectors be installed as soon as possible. Also, the alarm pull and fire extinguishers should be tested routinely. All exit doors should be repaired or replaced so that the computer center is in a secure location. The drainage problem located at the west exit door should be corrected so that the computer area will not receive water damage.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1999

99-9. Finding

According to guidelines stated in the Control Objectives for Information and Related Technology (CobiT DS5.2), the security measures in place over the Internet connection were inadequate. This has increased the risk for potential security violations for the campus-wide computer network.

Recommendation

We recommend that the college implement better network security solutions to alleviate potential Internet security violations.

99-10. Finding

Based on our review of data security, we noted that the college did not have a written information systems disaster recovery plan nor a plan for recovery from a virus attack. Also, the college did not store the following items at its off-site storage facility:

- application and system software
- other system operations documentation
- reserve of critical, nonstandard forms
- current user documentation
- operator instructions

As stated in the Control Objectives for Information and Related Technology (CobiT DS4) guidelines, the college should have proper recovery procedures and other documentation stored at the off-site location in order to be properly prepared for recovery in the event of a disaster.

Recommendation

In order to be properly prepared for a potential disaster, we recommend that the college develop and implement a disaster recovery plan and a plan to recover from a virus attack. The plan should detail the steps that would be taken to safeguard the college's computer hardware, software and data in the event of a disaster. The college should include a risk analysis in its disaster recovery plan that will prioritize mission-critical computer applications. Written agreements should be made with vendors to assure swift replacement of hardware and software and, if necessary, a hot site for computer operations. A copy of these recovery plans should be stored at the off-site storage facility along with any necessary application and system software, as well as any other critical system operation documentation.

99-11. Finding

Coahoma Community College did not have written policies and procedures for its Information Technology Department in the following areas:

- Security over the data processing facility
- Telecommunications (Internet connections)
- Access security, including access to program documentation, systems software, program and job control instructions, data files, applications, passwords, and investigation of access violations

## COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 1999

As stated in the Control Objectives for Information and Related Technology (CobiT DS12, PO4, DS5, DS4, and PO7) guidelines, written policies and procedures should be established.

#### Recommendation

We recommend that the college establish written policies and procedures for its Information Technology Department operations that include security over the data processing facility, telecommunications (Internet connections) and access security.

#### 99-12. Finding

Coahoma Community College did not consistently maintain the before images, the changes, and the after images on computer file table revisions. The Control Objectives for Information and Related Technology (CobiT, Section DO6.6) guideline requires management to ensure adequate documentation is available and an audit trail is maintained of all computer file table changes. Without this documentation, the accuracy and propriety of changes cannot be verified by independent review.

#### Recommendation

We recommend that the college keep the necessary support, including before images, changes, and after images to document all revisions made to computer file tables.

### Section 3: Findings and Questioned Costs for Federal Awards

#### 99-13. Finding

Program: Student Financial Aid Cluster - CFDA #'s 84.007, 84.032, 84.033, 84.063 & 84.069

Compliance Requirement: Special tests and provisions

Student financial aid procedures for processing refunds were not applied on a consistent basis. Refunds, including those for unofficial withdrawals, should be calculated based on guidelines established by the Federal Student Financial Aid Handbook and the institution. Several instances were noted where refunds should have been given but were not, or vice versa.

#### Recommendation

Refund procedures should be applied consistently and in accordance with student financial aid guidelines.

#### 99-14. Finding

Program: Vocational Education - Basic Grants to States – CFDA #84.048

Compliance Requirement: Reporting

Requests for reimbursement for equipment and other costs for the Vocational Education - Basic Grants to States program were not reconciled to the underlying accounting records prior to the submission of these reports.

COAHOMA COMMUNITY COLLEGE AND AGRICULTURAL HIGH SCHOOL

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1999

Recommendation

All reports should be prepared from and/or reconciled to the underlying accounting records to ensure that the reports are complete and accurate.

99-15. Finding

Program: Higher Education - Institutional Aid – CFDA #84.031

Compliance Requirement: Activities allowed and unallowed

Salaries and fringe benefits were charged and subsequently funds drawn down for two positions that were not approved in the grant budget. This resulted in unallowable charges made against the grant.

Questioned Costs: \$39,940

Recommendation

Only expenditures approved in the grant budget should be charged as grant expenditures and subsequently drawn down for reimbursement.